



# Company Overview

Investor Presentation – Wilson Rapid Insights Conference May 2018

---

---

**Michael Kavanagh** CEO, President and Managing Director  
**McGregor Grant**, Chief Financial Officer and Company Secretary

# Disclaimer

This presentation is intended to provide a general outline only and is not intended to be a definitive statement on the subject matter covered in it. The information in this presentation, whether written or verbal, has been prepared without taking into account the commercial, financial or other needs of any individual or organisation.

Certain information may relate to protected intellectual property rights owned by Nanosonics Limited (Nanosonics) and its subsidiaries (together the Group).

While due care has been taken in compiling the information based on the information available to Nanosonics at the date of this presentation material, neither Nanosonics nor its officers or advisors or any other person warrants the accuracy, reliability, completeness or timeliness of the information or guarantees the commercial or investment performance of the Group.

The information does not constitute advice of any kind and should not be relied on as such. Investors must make their own independent assessment of the Group and undertake such additional enquiries as they deem necessary or appropriate for their own investment purposes. Any and all use of the information is at your own risk.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including Nanosonics). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based.

Subject to any continuing obligations under applicable law or any relevant listing rules of the Australian Securities Exchange, Nanosonics disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of the Group since the date of these materials.

# Our Mission

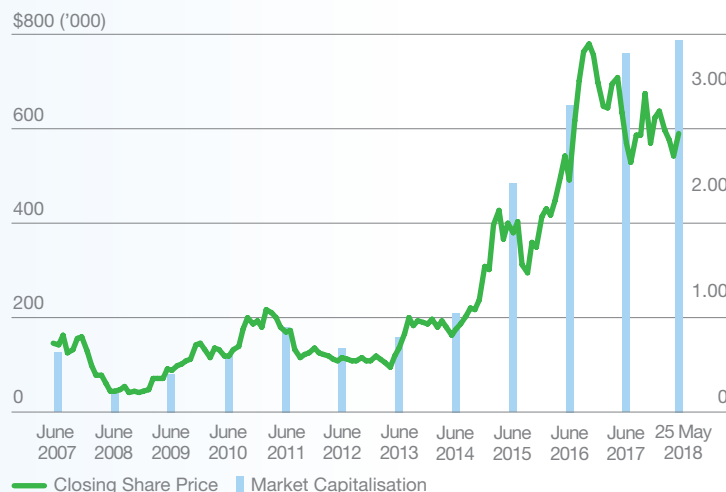
We improve the safety of patients, clinics, their staff and the environment by transforming the way infection prevention practices are understood and conducted and introducing innovative technologies that deliver improved standards of care.



## Company Overview

- ASX 200 listed healthcare company specialised in the development and commercialisation of infection control solutions
- First product, trophon® EPR – proprietary automated technology for low temperature, high level disinfection (HLD) of ultrasound probes
- Approved for sale in most major markets including: US/Canada, ANZ, Europe, Singapore, HK, South Korea, Japan
- 220 staff across Australia, US, Canada, UK, Germany and France
- Sold direct and through distributors including leading brands such as: GE Healthcare, Philips, Samsung, Siemens and Toshiba
- Active R&D program targeting expansion of product portfolio for Infection Prevention market

## Shareholder Return



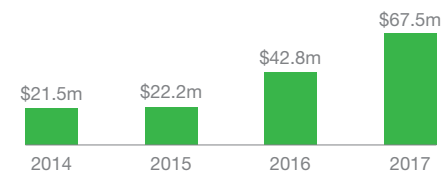
1. As at 25 May 2018.

## Key Corporate Data<sup>1</sup>

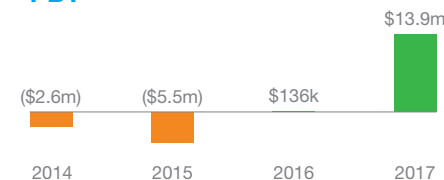
Share price	\$2.63
Shares on issue	299.3 million
Market capitalisation	\$787.3 million
Liquidity (30 day avg.)	1.3 million shares
Cash (31 Dec 17)	\$66.5 million
Share register breakdown (31 Dec 17)	Founders/ Related Parties 17.6% Institutions 49.9% Private 32.5%

## Financial Overview

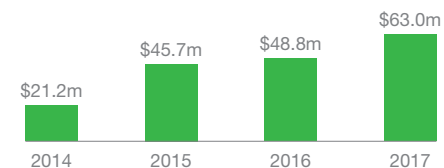
### Sales Revenue



### PBT



### Cash



trophon®

Setting  
a new  
standard  
of care



The trophon® EPR is an automated system that delivers effective, efficient and safe high level disinfection of ultrasound probes

trophon®



Consumables



Accessories



#### Key Features

- Highly effective in killing bacteria, fungi and viruses including the highly resistant HPV virus
- Easy to use with fast 7 minute cycle
- Can be placed at point of care to support efficient clinical workflows
- Over 1000 ultrasound probes from all major ultrasound brands approved for use in the system
- Safe for the operator, patient and environment with oxygen and water as by products
- Fully automated delivering reproducible results every time
- Data logs each cycle for excellent traceability

trophon® is covered by 14 patent families. Most are active through to 2025 and in many cases beyond including patents relating to the consumables which go out to 2029. We have an active program to continue to protect the IP in our technology.

# A Real Market Need



## Risk of cross contamination with ultrasound probes well established

- 0.9-9% of barrier sheaths and condoms leak<sup>1</sup>
- A meta-analysis has shown that 12.9% of transducers are contaminated with pathogenic bacteria following routine disinfection<sup>2</sup>
- HPV, a known cause of cervical cancer, has been found on up to 7.5% of transvaginal ultrasound transducers following routine disinfection<sup>3</sup>
- A fatal case of hepatitis B and non-fatal case of hepatitis C have been attributed to improper ultrasound transducer disinfection<sup>4,5</sup>
- Ultrasound transducer handles are not routinely disinfected and can harbour pathogens including MRSA<sup>6</sup>
- Six year population-level study demonstrates increased risk of infection and antibiotic prescriptions following semi-critical ultrasound procedures

1. Vickery et al, *J InfPub Health* 2013; in press  
 2. Leroy, S. *J HospInfect* 2013 83(2): 99-106  
 3. Ma S et al. *EmergMed J.* 2013 30(6): 472-5  
 4. FerhiK, et al. *Case Rep Urol*, 2013: p. 797248  
 5. Medicines and Healthcare products Regulatory Agency (UK), *Medical Device Alert Ref: MDA/2012/037*  
 6. McNally G, NguA, *ISUOG world congress, Sydney, 2013*

Fundamentals for adoption continue to strengthen with an increasing number of international guidelines requiring high level disinfection for semi critical probes

## Traditional mechanisms of decontamination unchanged in decades



The traditional methods: soak, spray or wipe

- ✗ Chemical spills and vapour control present OH&S risks
- ✗ Probes often must be transported to a central sterilisation facility
- ✗ Pathogens may remain –increased risk of cross contamination
- ✗ Wipes and sprays not approved by the FDA for HLD
- ✗ Toxic chemicals must be disposed of as chemical waste



## trophon® setting a new Standard of Care globally



### Safe



- **Patient** proven effective on wide range of pathogens
- **User** safe for user
- **Environment** water and oxygen by products

### Versatile



- Compatible with > 1,000 probes
- Can be used at point of care
- Supports streamlined practice workflows

### Simple



- Simple to use – one button operation
- Fast 7 minute cycle

# Significant Global Market Opportunity

## Installed Base Opportunity

### Global

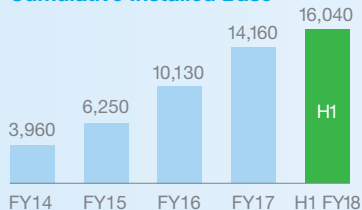
120,000

Units

## Market Penetration



## Cumulative Installed Base



- Increasing number of international guidelines requiring high level disinfection supporting growing international demand
- Nanosonics expanding its footprint geographically both direct and through distribution

## Installed Base Opportunity

### North America

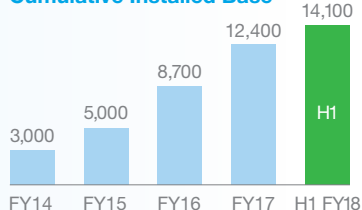
40,000

Units

## Market Penetration



## Cumulative Installed Base



- Fundamentals for adoption strong with requirements for high level disinfection in place
- trophon installed base over 14,000 and already in over 3,000 facilities including majority of luminary hospitals
- Nanosonics has a direct sales operation of over 50 people as well as partnerships with all leading ultrasound companies to drive ongoing adoption

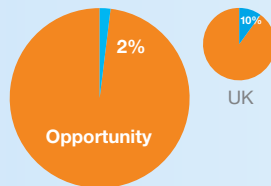
## Installed Base Opportunity

### Europe and Middle East

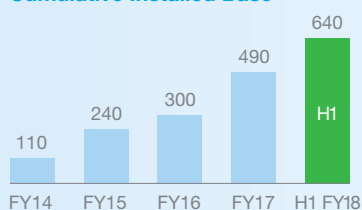
40,000

Units

## Market Penetration



## Cumulative Installed Base



- Recent European guidelines in UK, Germany and France requiring High Level Disinfection of Ultrasound probes
- Nanosonics operations establishing in UK, Germany and France and expanding through distribution in Scandinavia and Middle East
- A range of business models in place to support market requirements

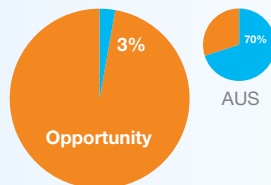
## Installed Base Opportunity

### Asia Pacific and ROW

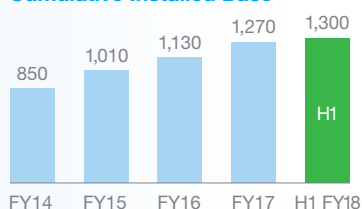
40,000

Units

## Market Penetration



## Cumulative Installed Base



- trophon® already standard of care in Australia with approximately 70% market penetration
- Regulatory approval in place in Japan and pre-marketing strategy underway
- Exploring opportunities in broader Asia Pacific market

# Expanding global presence

## North America

Nanosonics direct operation with over 50 people. GE Healthcare also a distributor and Capital Reseller agreements in place with all major Ultrasound companies. trophon® becoming standard of care with >14,100 units across >3,000 facilities in place

## UK

Nanosonics direct operation in place and growing. Guidelines now in place in England, Scotland, Wales and Northern Ireland. Strong (75-100%) year on year installed base growth being experienced

## Saudi Arabia

Exploring distributor partnership for market entry

## Qatar

Distributor Partnership in place and marketing activities underway

## Ireland

Distribution partner in place with local guidelines for HLD established

## Sweden

Partnership in place with GE Healthcare with plans for further expansion across Scandinavia

## South Korea

Regulatory approval in place. Exploring distributor partnership for market entry

## Japan

Regulatory approval in place with partnership established with local leading infection prevention Company. Pre marketing activities underway

## France

Nanosonics partnership with GE Healthcare with supporting local direct operations. New guidelines for HLD emerging

## Singapore

Distributor Partnership in place and marketing activities underway

## Kuwait

Distributor Partnership in place and marketing activities underway

## Germany

Nanosonics direct operations in place and growing with new guidelines recently introduced. Key luminary sites now adopting

## Israel

Distributor Partnership in place and marketing activities underway

## Hong Kong

Distributor Partnership in place and marketing activities underway

## Australia & New Zealand

Distributor partnerships in place. Achieved approx. 70% market penetration

Significant revenue opportunity per machine from consumables used in every high level disinfection cycle, annual service contracts plus upgrades.



- Initial capital sale.

## Annuity revenue stream per trophon installed



- Each trophon generates an average of \$3,000 per annum in consumable revenue under Direct Sale model and approximately 50% of this under Full Service Distribution model.



- One year warranty.
- Option to purchase annual or multiyear service contract for ongoing machine maintenance.

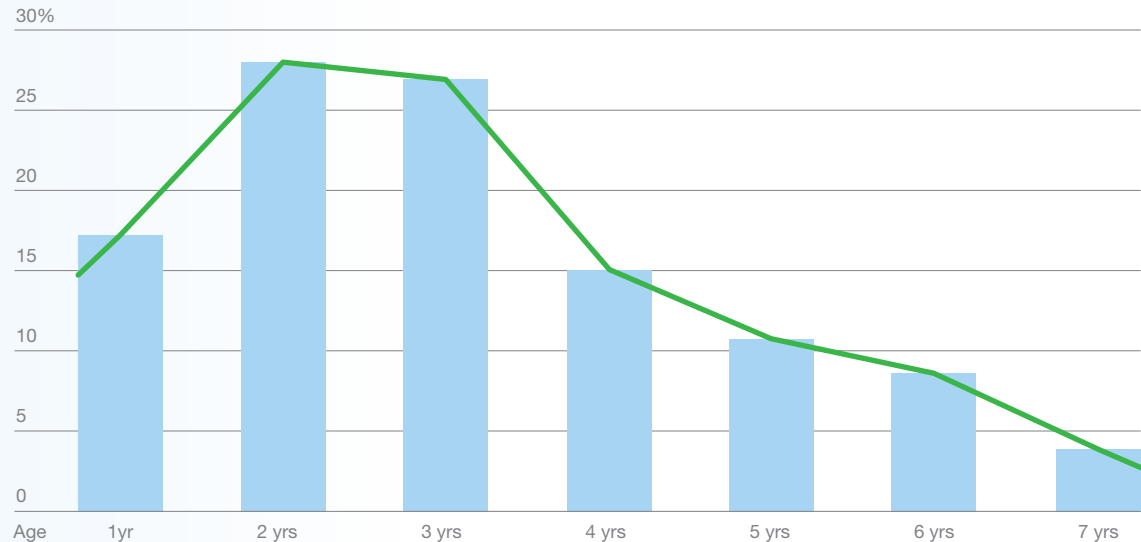


## Replacement/ Upgrade Opportunity

Significant replacement/upgrade opportunity as installed base ages and new generation devices are introduced to market

## Replacement/upgrade expected after 5-7 years

Age distribution of global Installed Base at December 2017



2nd generation of trophon<sup>®</sup> approved by FDA in May 2018 and available to market in Q1 FY19



# Range of selling models<sup>1</sup>

## Direct Channel

### Capital Sale

- Capital equipment sold upfront with 12 month warranty
- Customer purchases consumables as required
- Customer elects to purchase service contracts from Nanosonics (usually after warranty period expires) or pays for service and parts as required

### Managed equipment service

- Nanosonics provides capital equipment to customer
- Equipment fully maintained by Nanosonics
- Customer purchases consumables as required at an 'all-inclusive' price
- Nanosonics owns capital equipment, depreciated over 5 years

### Rental

- Customer rents capital equipment
- Equipment fully maintained by Nanosonics
- Customer purchases consumables as required

## Distribution Channel

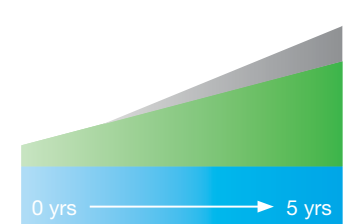
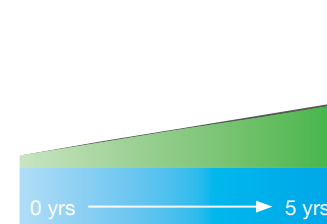
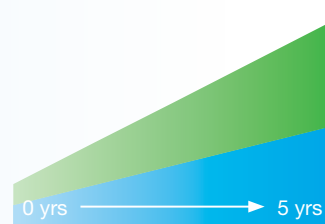
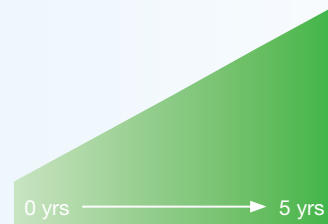
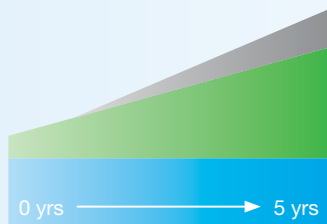
### Full Service Distribution

- Distributor purchases capital equipment, consumables and spare parts from Nanosonics
- Distributor sells capital equipment, consumables and service to customer on a similar basis to the Direct Channel Capital Sale Model

### Capital Reseller Market

- Distributor purchases capital equipment only from Nanosonics and sells to end customer
- Customer purchases consumables and service from Nanosonics

Nanosonics revenue profile



## New Product Development

Significant R&D Investment being made into Product Expansion Strategy



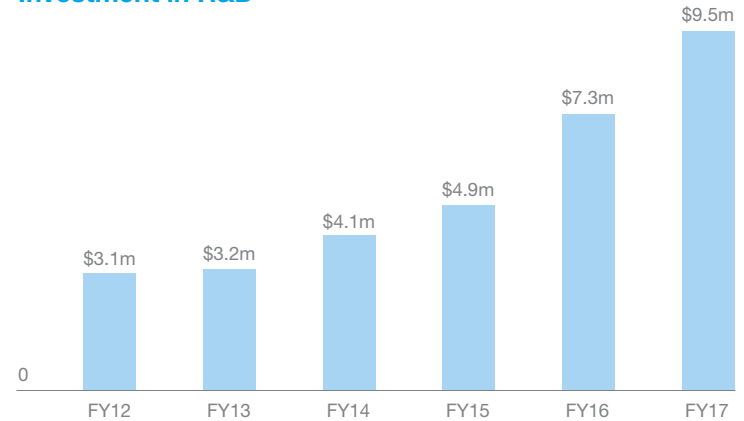
Second generation of trophon<sup>®</sup> approved by the FDA in May 2018 and now targeting one or more new infection prevention solutions by end of FY20, subject to regulatory approval



**Steven Farrugia**  
BE, PhD  
Chief Technical Officer

Steven joined Nanosonics as Senior Vice President, Design and Development, in September 2016. He has over 20 years' experience leading the development of medical devices. Prior to Nanosonics, Steven held a range of senior executive roles with ResMed, including VP of Technology and VP of Product Development. He is an inventor of almost 300 granted and pending patents and is an Adjunct Professor of Engineering at The University of Sydney.

### Investment in R&D



**Significant Research and Engineering team with over 40 people across following disciplines**

- Mechanical Engineering
- Software Engineering
- Electrical Engineering
- System Engineering
- Chemistry
- Microbiology

# Our People

Nanosonics has a highly experienced and dedicated team of professionals leading the development and implementation of our Corporate Growth Strategy

## Our Board



**David Fisher**  
BRurSc (Hons),  
MAppFin, PhD,  
FFin, GAICD  
Non-Executive  
Director

**Marie McDonald**  
BSc (Hons), LLB  
(Hons)  
Non-Executive  
Director

**Michael Kavanagh**  
BSc, MBA  
(Advanced)  
CEO, President  
and Managing  
Director

**Maurie Stang**  
Non-Executive  
Chairman

**Steven Sargent**  
BBus, FAICD  
Non-Executive  
Deputy  
Chairman

**Richard England**  
FCA, MAICD  
Non-Executive  
Director

## Our Executive Team



**Steven Farrugia,**  
BE, PhD  
Chief  
Technology  
Officer

**Gerard Putt**  
BSc, GAICD  
Chief  
Operations  
Officer

**Ken Shaw**  
BSc Finance  
Regional  
President for  
the United  
States, Canada  
and Latin  
America

**Michael  
Kavanagh**  
BSc, MBA  
(Advanced)  
CEO, President  
and Managing  
Director

**Leanne  
Baxendale**  
Head of  
People and  
Culture

**Anthony  
Harrington**  
BSc, MBA,  
GAICD  
Senior Vice  
President,  
Global  
Marketing

**McGregor Grant**  
BEc, CA, GAICD  
Chief Financial  
Officer and  
Company  
Secretary

# Thank you

---

